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New PST Exemptions for Mining Equipment and New Mine Allowance Extended in BC Budget 2020

**February 18, 2020**

**Vancouver, B.C.** – The Mining Suppliers Association of British Columbia (MSABC) welcomes a new Provincial Sales Tax (PST) exemption for machinery and equipment purchased for pollution control and waste management in addition to an extension of the New Mine Allowance to 2025 in Budget 2020.

Budget 2020 allows mining operations to obtain machinery and equipment used for pollution control and waste management without paying PST, regardless of where the machinery will be used. “Previously, this exemption was subject to location constraints which meant that some pollution control equipment used further away from a mill or pit, for example, was not exempt from PST,” said Mike Abbey, Area Sales Manager for Johnson Controls and Chair of MSABC. “A mining operation can now purchase water treatment equipment to treat water at a location a significant distance away from their primary operations, without being charged PST on that purchase” added Abbey.

Budget 2020 also extends the New Mine Allowance to 2025. “The New Mine Allowance provides support for both new mining operations and expansions at existing operations,” said Abbey. Maintaining the New Mine Allowance is increasingly important as industries face competitiveness challenges from costs in B.C. that are not paid in competing jurisdictions. “Unfortunately, Budget 2020 did not address problems identified by industry with the B.C. carbon tax and its impact on energy intensive, trade exposed industries, such as the mining industry,” added Abby. “We encourage government to work with industry to address these challenges and ensure B.C.’s carbon tax remains competitive with other jurisdictions in Canada and abroad.”

Thousands of companies and their employees benefit annually from B.C.’s mining and smelting operations. The One Province, One Economy study commissioned by MSABC and the Mining Association of B.C. in 2019 found that 3,730 supplier, contractor and consultant firms located in 215 B.C. communities benefited from \$2.9 Billion in spending by 17 major mines and 2 smelters in 2018.

MSABC comprises suppliers, contractors and consultants to the B.C. mining industry who are committed to promoting the sustainability of this valuable resource sector.

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